

1997-98 SESSION COMMITTEE HEARING RECORDS

Committee Name:

Joint Committee on
Finance
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR_RCP_pt01a
- 97hrAC-EdR_RCP_pt01b
- 97hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤

➤ Clearinghouse Rules ... CRule

➤

➤ Committee Hearings ... CH

➤

➤ Committee Reports ... CR

➤

➤ Executive Sessions ... ES

➤

➤ Hearing Records ... HR

➤

➤ Miscellaneous ... Misc

➤ 97hr_JC-Fi_Misc_pt04j_DPR

➤ Record of Comm. Proceedings ... RCP

➤

Joint Finance

16.515/16.505
14 Day Passive
Reviews

3/13/97 -
5/7/97

TANF Block Grant
3/26/97

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

LL1 119 Martin Luther King Blvd.
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
SCOTT JENSEN

315 North, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 264-6970

JOINT COMMITTEE ON FINANCE

March 27, 1997

Governor Tommy G. Thompson
115 East, State Capitol
Madison, WI 53702

Dear Governor Thompson:

On March 10, 1997, the Joint Committee on Finance received a request from you, pursuant to s. 16.54(2)(a), relating to the expenditure of block grant funds made available to the state by the federal government.

Under this request, the Department of Workforce Development would modify its 1996-97 temporary assistance to needy families (TANF) block grant plan that was approved by the Committee at its December s. 13.10 meeting. This change would increase TANF expenditures in 1996-97 to provide \$650,000 to the New Hope project. The requested funding amount is part of a child support demonstration project that the Department would implement under a waiver by the federal government.

The Department of Administration has indicated the original request will be revised to change provisions regarding the control group in the demonstration project and to provide funding for W-2 start-up activities and other expenditures. Therefore, rather than addressing the original request, the Committee will consider the revised request when it is forwarded to us.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Burke".

BRIAN BURKE
Senate Chair

A handwritten signature in black ink, appearing to read "Scott Jensen".

SCOTT JENSEN
Assembly Chair

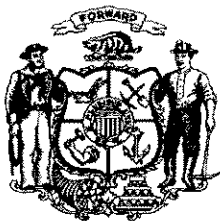
BB/SJ/jc

cc: Members, Joint Committee on Finance
Linda Nelson, DOA

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative Scott Jensen
Co-Chairs, Joint Committee on Finance

Date: March 11, 1997

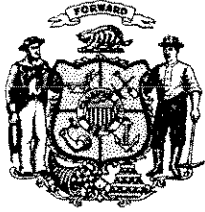
Re: Request for Expenditure of Federal Block Grant Funds/14 Day Passive Review

Attached is a copy of a request from the Governor regarding modifications to the Department of Workforce Development's Temporary Assistance for Needy Families block grant expenditure. The block grant plan was initially approved by the Joint Finance Committee at the December 16, 1996 meeting under s. 13.10, Stats. Pursuant to s. 16.54(2)(a)2, Stats., the Committee has 14 days to review the requested modifications.

Please review these materials and contact **Senator Burke's or Representative Jensen's** office no later than **Wednesday, March 26, 1997**, if you have any questions about this request or would like the Committee to meet formally to review it. If no objections are heard by that date, the request will be approved.

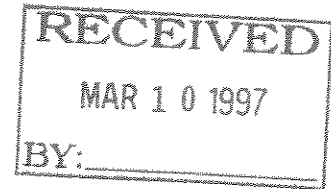
Also, please contact us if you need further information.

BB:SJ:jt



TOMMY G. THOMPSON

**Governor
State of Wisconsin**



The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
100 North Hamilton Street, Room 302
Madison, Wisconsin 53707

The Honorable Scott Jensen, Co-Chair
Joint Committee on Finance
State Capitol
315 North
Madison, Wisconsin 53707

SUBJECT: Notification of Federal Block Grant

Dear Senator Burke and Representative Jensen:

Attached is a request for expenditure of block grant funds being made available to the state by the federal government. Pursuant to s. 16.54(2)(a)2., the grant funds will be made available for encumbering through the allotment process within 14 working days after the date of this notification letter, unless you notify me that a meeting has been scheduled for the Joint Committee on Finance to review the proposed expenditure of grant monies.

Please also contact State Budget Director Richard G. Chandler (266-1035) in the Department of Administration if you have any additional questions or if you schedule a meeting to review the proposed expenditure.

Thank you for your prompt attention to this notification letter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tommy".

TOMMY G. THOMPSON
Governor

Date:

3-10-97

Attachments

Tommy G. Thompson
Governor

Linda Stewart
Secretary



OFFICE OF THE SECRETARY
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707-7946
Telephone: (608) 266-7552
FAX: (608) 266-1784

State of Wisconsin
Department of Workforce Development

March 5, 1997

Mr. Mark Bugher, Secretary
Department of Administration
DOA State Office Building, 10th Floor
Madison, Wisconsin 53702

Dear Secretary Bugher:

Pursuant to s. 16.54(2)(a) Wisconsin Statutes, the Department requests a modification to its 1996-97 Temporary Assistance for Needy Families (TANF) block grant plan that was approved by the Joint Committee on Finance at its December 3, 1996 meeting. This change will increase funding required in 1996-97 by \$650,000, which results in a decrease of the projected TANF carryover from 1996-97 to 1997-98 of that amount. The modification is necessary as a result of federal waivers received by the Department on February 28, 1997.

Under the federal IV-D waivers granted under Section 1115 of the Social Security Act, the entire amount of current child support collected on behalf of W-2 recipients and all collected arrears that accrue from the date they become a W-2 participant will be passed through to the custodial parent, as provided in the W-2 legislation. The federal share of these collections will be charged against the balance of unclaimed federal waiver savings funds of approximately \$70 million. Absent the waiver, the federal share of child support collections passed through to the recipients would have been required to have been paid to the federal government, at a cost of approximately \$10 million per year, according to the W-2 cost model.

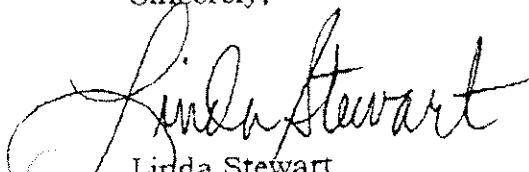
As required of all Section 1115 waivers, an evaluation of this program will be required. As part of the evaluation, approximately 2,000 recipients already in AFDC/W-2 will be randomly assigned to a control group in which they continue to receive the first \$50 of current support collected, as under current state law, rather than the full pass-through. In addition, approximately 2,000 new applicants will be randomly assigned to a control group in which all current support is assigned, with a portion of the collection going to the federal government as required under current federal law and a portion retained by the state to offset benefit costs. The evaluation of these waivers will compare the combined costs for administration and benefits for Food Stamps and Medicaid (MA) plus the federal share of child support collections passed through to recipients in the experimental group to those costs for the control groups. Any savings in Food Stamps and MA resulting from these waivers will be netted against the waiver savings funds used to pay for the federal share of collections passed through to the custodial parent.

Mr. Mark Bugher
March 5, 1997
Page 2

The waiver also directs the Department to provide the New Hope Project in Milwaukee with a total of \$2.9 million of TANF funds for the period from April 1997 to December 1998. \$650,000 will come from TANF funds in 1996-97. The Governor's 1997-99 budget included \$750,000 of TANF funds in each year of the biennium for the New Hope Project. The biennial budget will need to be changed to provide \$1,560,000 in FY 97-98 and \$690,000 in FY 98-99 in order to meet the total \$2.9 million required by the waiver.

The net decrease in costs projected in the 1997-99 biennium as a result of these waivers and the ability to charge against unclaimed federal waiver savings will be addressed at a later date as part of the Department's update of the W-2 plan.

Sincerely,



Linda Stewart
Secretary